

January 15, 2015

Montana Senate  
PO Box 200500  
Helena, MT 59620-0500

Senate Energy & Telecomm. Comm.

Exhibit No. 9

Date 1/20/2015

Bill No. SB 134

Mr. Chair and Members of the Committee:

It has come to my attention that some in or around the 2015 Legislature have advanced the proposition that net-metered energy systems shift fixed costs to other customers and disproportionately hurt low-income consumers. In my opinion this notion is oversimplified.

As a long-time advocate for low-income Montanans, I have come to understand the intersection between energy policy and low-income issues. The first and most important concept that needs to be understood is that because they have less disposable income, low-income utility bill payers are disproportionately hurt by high and increasing energy prices. Accordingly, my first obligation as an advocate for low-income Montanans is to ensure that our fellow citizens have the means by which to manage and control their own energy use and to keep their bills reasonable and stably priced.

It has been my experience and it is my position that by-in-large zero fuel cost renewable energy projects, including net-metered energy systems, provide protection from market risk, which is tied to the purchase price of volatile fossil fuel generation, and helps to keep prices low and stable over the long run. For this reason, my organization recently supported NorthWestern Energy's acquisition of 11 hydroelectric dams in the state. Investments in energy efficiency and private investments in net-metered facilities help to avoid new infrastructure and generation purchases by the utility that are far more likely to drive electric rates up on all customers and increase hardship on low-income utility bill payers.

In a utility's rate design and structure there exist many so-called cost shifts. Comparatively, I am not concerned about potential cost-shifts occurring due to net metering. Rather, I would be more interested in assistance from the legislature and others in finding ways that low-income households can more broadly participate in net metering. Many low-income families do indeed own their home and could benefit from a net-metered system reducing their energy bills.

District XI Human Resource Council has a long history of appearing before the Montana Public Service Commission as an active participant in contested dockets. If at some point we become concerned with the alleged possibility of a cost shift from net-metered facilities to low-income customers we will work to address the issue at the Montana PSC, which has the authority necessary to prevent unreasonable cost shifts from net-metered facilities.

Thank you for the opportunity to communicate with you on this issue. If I can be of any further assistance you can contact me at [jpm@hrcxi.org](mailto:jpm@hrcxi.org), or at 406-728-3710.

Regards,

  
Jim Morton  
Executive Director

Incapacity  
Assessment  
Services

Low Income  
Advocacy

Employment  
& Training

Job Skills  
Development

Energy  
Assistance

Owner  
Occupied  
Home  
Rehabilitation  
Loan Program

Affordable  
Housing  
Development

First Time  
Homebuyer  
Assistance

2-1-1  
Information  
& Referral

Energy  
Conservation

Rental  
Assistance

Summer  
Food  
Service

A LEADER IN COMMUNITY ACTION SINCE 1965

1801 South Higgins Avenue, Missoula, Montana 59801 (406) 728-3710 FAX (406) 728-7680

Offices in Missoula, Mineral and Ravalli Counties Equal Opportunity in Service and Employment

